FOR MYSORE STATE

Development (1950) Department.

Ms SERIES.

G.O. No. 1940

Dated 13th May, 50

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[Despatch Abstract.]

Textiles Mill cloth Distribution Scheme Reintroduction of the scheme of wholesale and retail dealers Proposals of the Director of Controlled Commodities Approved.

Abstract:

TEXTILES - Mill Cloth - Distribution scheme - Reintroduction of the Scheme of wholesale and retail dealers - Proposals of the Director of Controlled Commodities -Approved.

Development Department.

G.O.Ms.No.1940. Dated 13th May 1950.

Read the following:--

G.O.Ms.No.5399 Development dated 9-11-49.
G.O.Ms.No.5532 Development dated 18-11-1949.
From the Director of Controlled Commodities D.O.No.C1.15721/50 dated 11-3-1950.
From the Director of Controlled Commodities Rc.C1.15721/50, dated 22-3-50.

ORDER:

In October 1949 the Textile Commissioner, Bombay reduced the margin to trade from 20% to 14% of the ex mill price in respect of cloth packed by mills after 31st October 1949. With this reduced margin and with the incidence of sales tax at every stage of sale, it was considered that it might not be possible to have separate wholesale dealers and retail dealers to deal in cloth with separate margins of profit. The Government therefore ordered in G.O.No.5399 Development dated 9-11-1949 the replacement of separate wholesale dealers and retail dealers by one class of dealers who might do either wholesale or retail business in cloth or both. In actual practice there has to be a purchaser in cloth who buys in bulk lots and distributes the same to retailers in small quantities of different varieties has reported that under the present arrangement the retail dealers are not able to get Bombay Surplus Area cloth at reasonable margins and that the class of wholesale dealers is gradually disappearing from the trade. He has also expressed his fears that there will soon be a complete break down of the cloth trade if the present state of affairs continues. He therefore considers that separate wholesalers and retailers with separate margins of profit should be revived. As it is not possible to fix fair margins of profit for the wholesalers and retailers within the small margin of 14% allowed to the trade and with the sales tax at every stage of sale, he considers that the wholesale consignee should be exempted from sales tax. The Director of Controlled Commodities has accordingly submitted the following detailed proposals:-

1. To reintroduce the class of wholesale dealers;

2. To issue both wholesale and retail licences only to such of the applicants who held both licences on 30-9-49.

3. To issue separate wholesale or retail licences in all other cases;

4. To prescribe the same licence fee of Rs.12-8-0 per half year for either wholesale or retail business and require payment of separate licence fee for each kind of business i.e. wholesale and retail;

5. To prescribe the same deposit of Rs.200/- for the wholesalers as in the case of retailers;

6. To restore the linking of dealers as it stood on 30-9-1949.

required by Hum. The Dirctr. of Controlled Commodities has report.

7. To exempt from Sales tax the sale by wholesale consignee to the wholesale dealers;

8. To notify the maximum wholesale selling price of 7% over ex-mill price in respect of cloth packed after 31-10-1949 for the Bombay Surplus Area and South Indian Mills other than B & C., Mettur ~~and~~ Industries and Loyal Textile Mills.

9. To notify the maximum wholesale selling price of 6¼ over ex-mill price for B & C., Mettur and Loyal Textile Mill cloth; and

10. To restore the former wholesale ceiling rates of 10% and 6¼% over ex-mill price in respect of cloth packed upto 31-10-49 for the production of Bombay Surplus Area and South Indian Mills respectively.

The Government consider that the grant of both whole-sale and retail licences to one and the same person need not be restricted to those who held such licences on 30-9-49but the cases of licensees up-to-date may ~~also~~ be considered by the Collectors.X Subject to these modifications the Government approve the proposals of the Director of Controlled Commodities. The new scheme will come into operation with effect from 1st June 1950. The Director of Controlled Commodities is requested to issue detailed instructions to the Collectors for bringing the scheme into force on 1-6-50.

3. Necessary amendments to the Madras Cloth Dealers (Control) Order, 1948 will be issued separately.

4. The requisite notification under clause 6(1) of the Madras General Sales Tax Act, 1939 exempting from the levy of sales tax the sale of cloth by the wholesale consignee to the wholesale dealer will be issued separately in the Revenue Department.

(By Order of His Excellency the Governor).

R.Koteswara Rao,
Deputy Secretary to Government.

To The Director of Controlled Commdoties.
To all Collectors.
To the Revenue Department (with extract of notes).
To the Accountant-General through Finance.
To the Board of Revenue.

X Similarly in regard to linking of dealers the cases of licensees up-to-date may also be considered by the Collectors.

(True Copy)

Superintendent.

RB: 31-7.

S. Ramaswami.
K.V. Ambalakshmi 31/7